



Defense Task Force DFARS Transformation

July 11, 2003

<http://www.acq.osd.mil/dp/dars/transf.htm>.





Outline



Objective and Task



Phase 2 Strategy



Phase 2 Results



Phase 3 Implementation



DoD Objective

- Conduct a comprehensive review and transformation of the FAR and DFARS
 - **Reduce DFARS by 40%**
- Include operational proceedings used to revise and implement the DFARS

Fits within OSD Goals and Priorities

✓ **Improve credibility and effectiveness of acquisition and logistics support process**

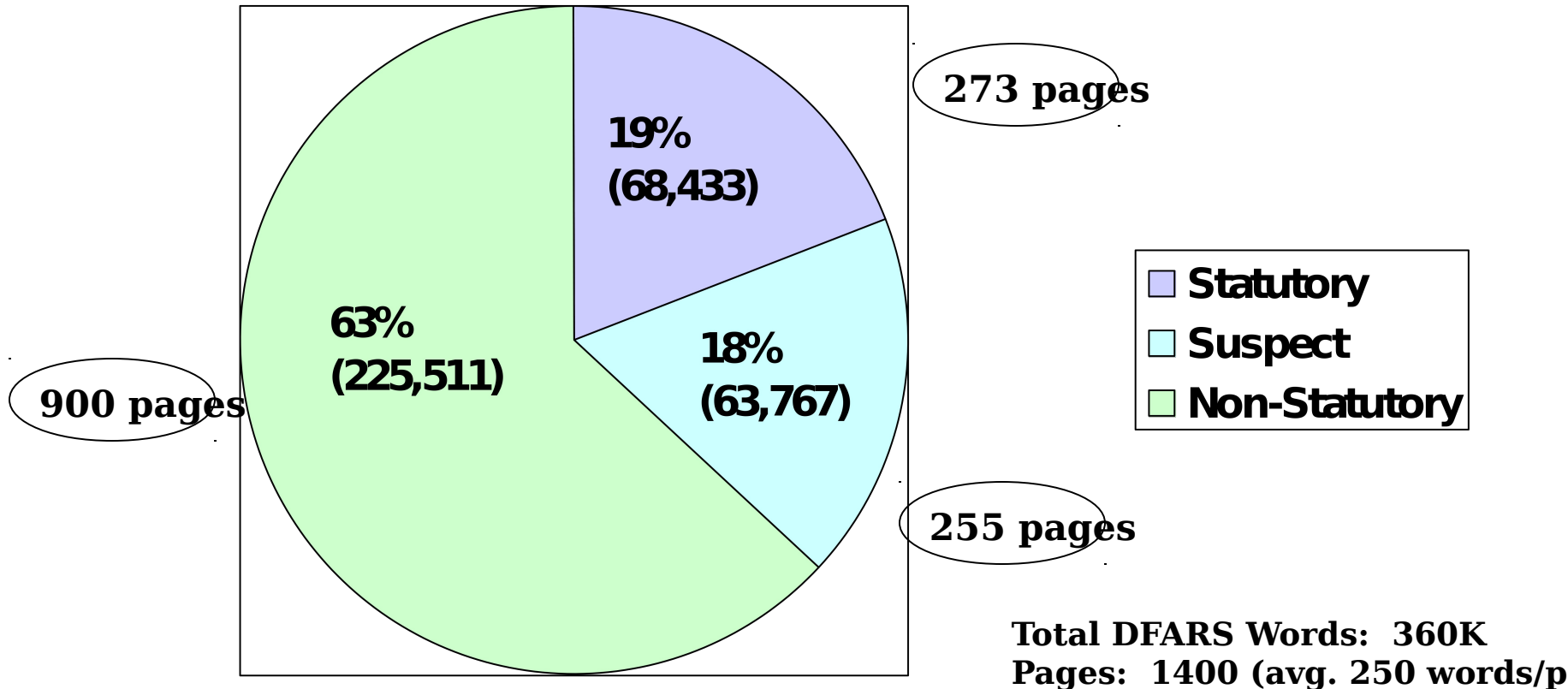
✓ **Enhance higher priority activities and improve**

responsiveness and efficiency

✓ **Shorten DoD Processes by 50%**



Phase 1 Results



Based on DFARS total word count



Phase 2 Task

- Generate DFARS proposals to --
 - Reduce acquisition cost, cycle time, administrative burden
 - Strengthen procurement processes, foster innovation
 - Improve clarity
 - Provide measurable value in accomplishing DoD's mission
- Justify retaining existing DFARS requirements
- Recommend changes to
 - Statutes, Executive Orders, FAR, Other

Recast the purpose, process & content of DFARS



✓ **Objectives and Task**

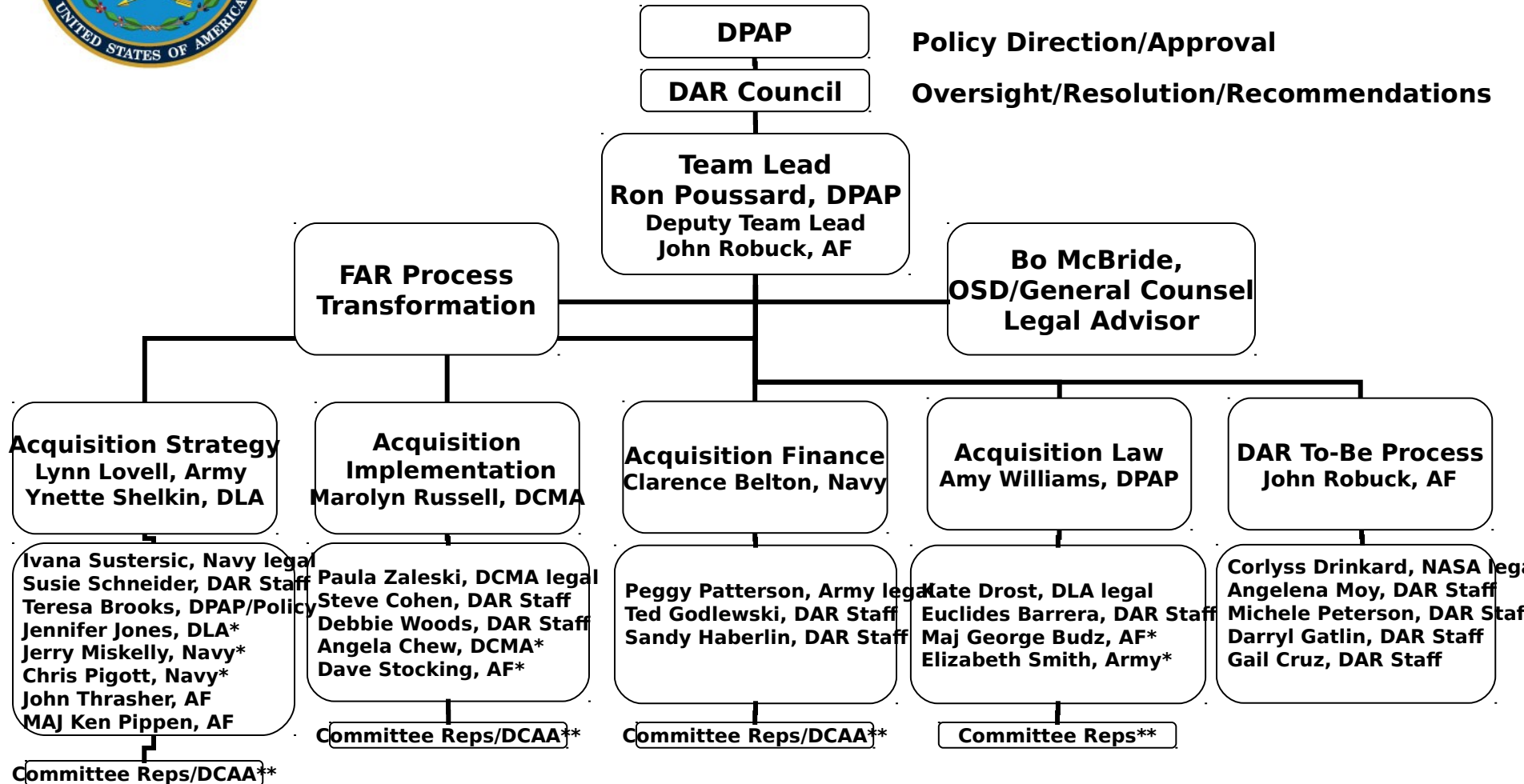
✓ **Phase 2 Strategy**

✓ **Phase 2 Results**

✓ **Phase 3 Implementation**



Task Force Structure



Total: 30 participants
priority FAR/DFARS cases

***Full-time augmentee from Services and Agencies.**

****As required.**

DAR Council will continue to work



Task Force Schedule

75 DAYS

Phase 1
Complete

Kickoff, Feb
Bold Ideas

Proposals
Complete - May
2

Draft Proposed Rules
& Legislation

Proposed Rules
Issued for Comment

Nov 02 Feb Mar Apr May Jun Jul Aug Sep

Phase 1

Phase 2

Phase 3



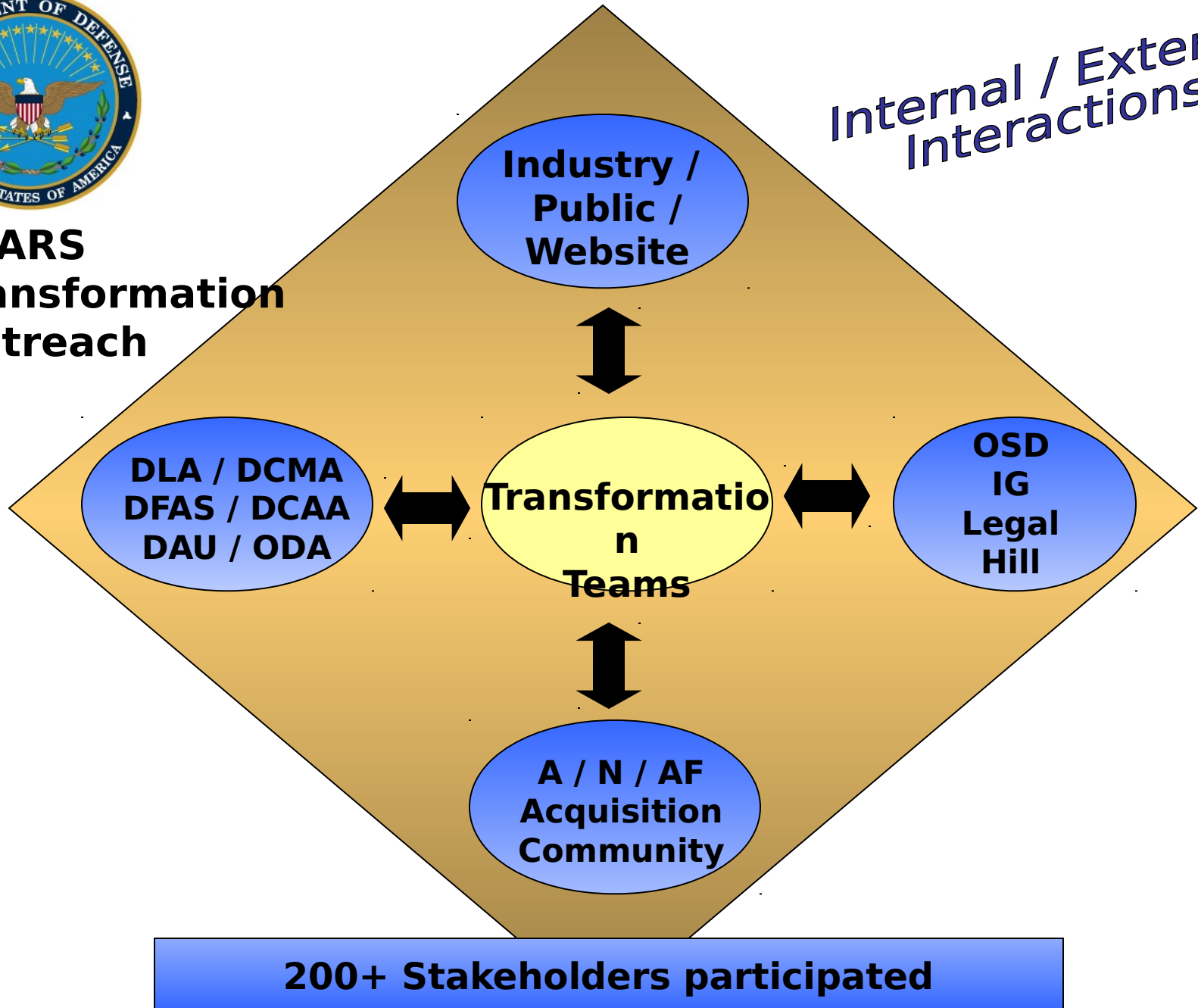
Task Force Framework

- DFARS, the Regulation --
 - Clear requirements/procedures of law
 - Mandatory DoD-wide policy
 - Deviations from FAR
 - Flexible decision processes
- Procedures and Guidance --
 - Common instructions, procedures and information
 - Decision making support
 - Internal to DoD – no significant impact on public



DFARS Transformation Outreach

*Internal / External
Interactions*



Organization

[DAR Directorate](#)

[DAR Council](#)

[DAR Committee](#)

FAR

[GSA](#)

[Hill AFB](#)

DFARS

[DFARS](#)

[Change Notices](#)

[Hill AFB](#)

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Class Deviations

[Class Deviations](#)

Guides

[AT&L Knowledge Sharing](#)

[System](#)

[Contract Pricing](#)

[Small Entity Compliance](#)

[Operating Guide](#)

Out for Public Comment

[FAR Rules](#)

DFARS Transformation

Established
A
Webpage

The Department of Defense is kicking off a major transformation initiative to identify dramatic improvements and reductions to procurement policies, procedures and processes in the Defense Federal Acquisition Regulation Supplement (DFARS).

Under the direction of the Director of Defense Procurement and Acquisition Policy, Ms. Deidre Lee, we are establishing a Task Force to consider bold changes and make proposal recommendations. We will also develop legislative proposals for consideration by the Congress for future changes to the DFARS.

The public is encouraged to participate in generating ideas for improvements. To ensure timely consideration, please submit your proposal NLT March 28, 2003. We will consider and post all ideas but our aggressive schedule precludes us from responding on an individual basis.

Please [Click Here](#) to submit your proposal.

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Save Save & Close Close

== DFARS Review ==

Cite No 201.201-6 Team ID: A - Acq Strategy

Cite Title DFARS Subsection title goes here

Category 3. Non-Statutory Cat 3 - Risk Assessment 3. Low

Stat Ref

Proposal REMOVE

REMOVE Eliminate - Non-mandatory guidance

Recommend

Statutory Change

Changes To Higher Authorities

Prop Paper Required?
☐ No ☒ Yes

Add (enter 3 digit number and select Add) Str

Web Proposal Considered:
None

Start

Databas e Tool

http://emissary.acq.osd.mil/dar/dfarstrack.nsf/2600f2d75abd598f85256c7600703353/56ef89693f41026b85256d0a00766ee0 - Microsoft Internet Explorer

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Rationale

We recommend this idea because.....

...includes complex and other recommendations

DFARS Text ☐ Yes Check Yes to indicate that more than one category may apply to the DFARS text

XXXXXXXX

DFARS Word Count: 0 DFARS Page Count: 0

Notes

YYYYYYYYYYYY

Start

Complex
recommendatio
ns documented
in Proposal
Papers...

PROPOSAL CHOICES

Remove
Change
Retain As Is

ATL DFARS Review System - Microsoft Internet Explorer provided by OUSD/AT&L

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AT&L DFARS Review

[<<< Previous](#) [Next >>>](#)

[Search](#)
[Team Counts](#)
[Action Stats](#)
[Recommendation Stats](#)
[Paper Stats](#)
[Create Report](#)

- click on a small triangle next to a column label to sort on that column -

Cite	Title	Action	Team	Category
201	FEDERAL ACQUISITION REGULATIONS SYSTEM		E	N/A
201.1	PURPOSE, AUTHORITY, ISSUANCE		E	N/A
201.104	Applicability	RETAIN AS IS	E	3. Non-Statutory
201.105	Issuance			
201.105-3	Copies			
201.107	Certifications			
201.2	ADMINISTRATION			
201.201	Maintenance of the FAR			
201.201-1	The two councils			

Databas e Tool

ATL DFARS Review System - Microsoft Internet Explorer provided by OUSD/AT&L

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Address <http://emissary.acq.osd.mil/dar/dfarstrack.nsf/CountsAction?OpenView&Start=1&Count=500&Expand=1.4#1.4> Go Links >>

[Search](#)
[Return to Main](#)
[Expand View - Collapse View](#)

As of: 05/21/2003 06:47 PM

Records	Words	Est Word Reduction	Cite	% Reduction	Title
342	103,908	28,592.8			
274	71,052	13,016.7			
56	29,397	14,623.4			
6	1,704	469.3			
6	1,755	483.4			
	350	252.0			
	73	0.0			
	558	273.4			
	67	0.0			
	316	(53.7)			
	391	11.7			
385	117,103	117,103.0			
542	138,276	0.0			
1,269	359,287	145,695.8			

CHANGE

- To enhance clarity
- To reduce administrative burden
- To reduce cost
- To reduce cycle time

Cite	% Reduction	Title
205.303	72	Announcement of contract awards
217.7404-5	0	Exceptions
219.201	49	General Policy
219.502-1	0	Requirements for setting aside acquisitions
235.006	-17	Contracting methods and contract type
252.217-7004	3	Job Orders and Compensation

REMOVE

RETAIN AS IS

Master listing of
Individual
records
...record
statistics



✓ **Objectives and Task**

✓ **Phase 2 Strategy**

✓ **Phase 2 Results**

✓ **Phase 3 Implementation**

✓ **What do we need**

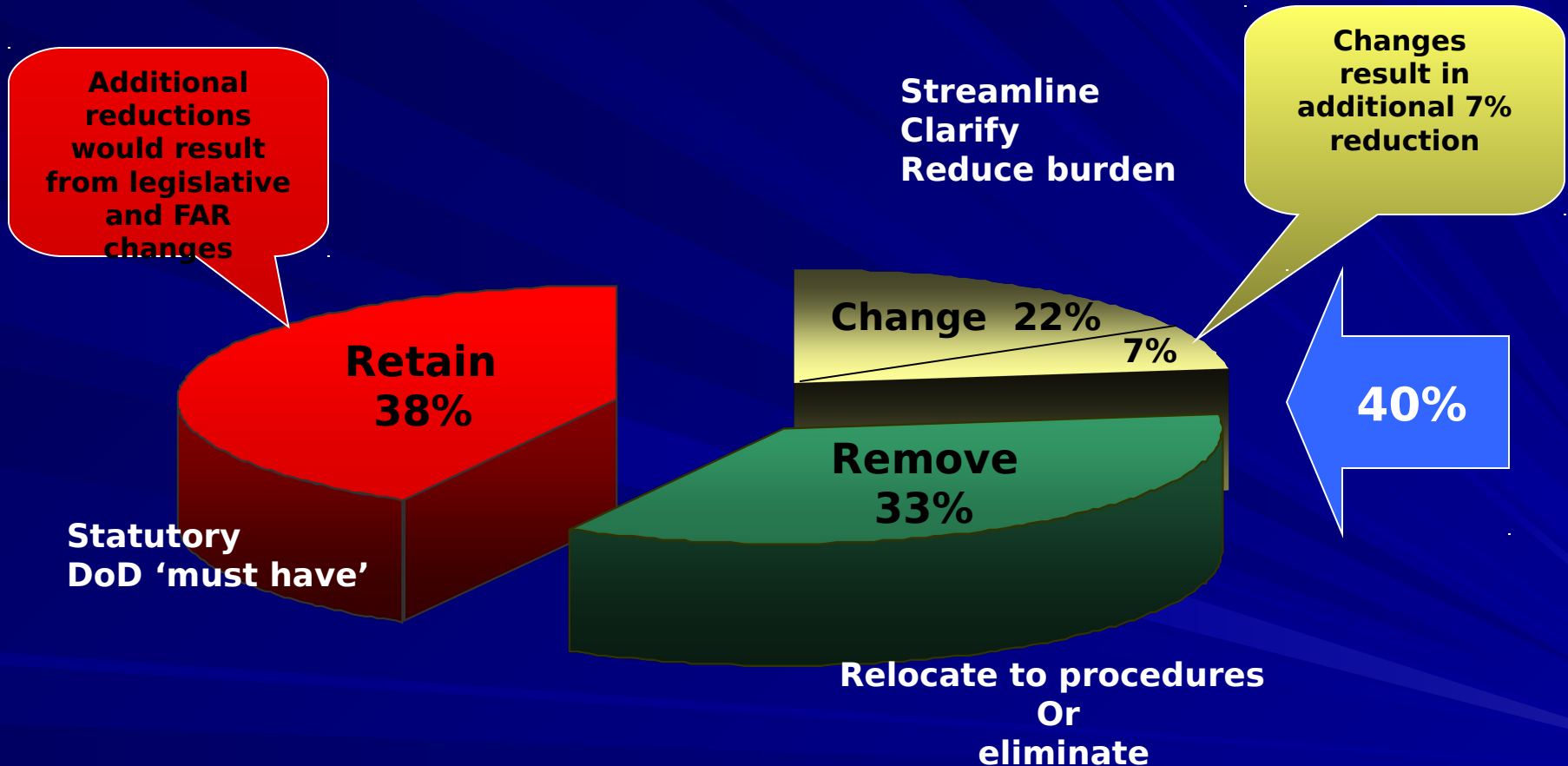


Phase 2 Summary Results

- Comprehensive DFARS review accomplished in 75 days
- 30 Full time participants
 - 200+ Stakeholders participated
 - Outreach to more than 1000 in acquisition community
- 253 web proposals received by conclusion of Phase 2
- 84 significant proposal papers developed
 - Legislative and FAR changes included
- 700+ other proposal recommendations developed



Phase 2 Summary Results*



- * Based on estimated word reductions
- * Requires full implementation of all proposals



Phase 2 Results

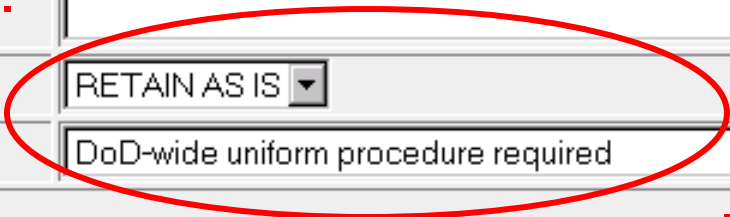
Database Examples of Team Proposals

**Note: All team proposals are recommendations only
and are
not approved changes to DoD policies and
procedures**

[Save](#) [Save & Close](#) [Close](#)

== DFARS Review == Open

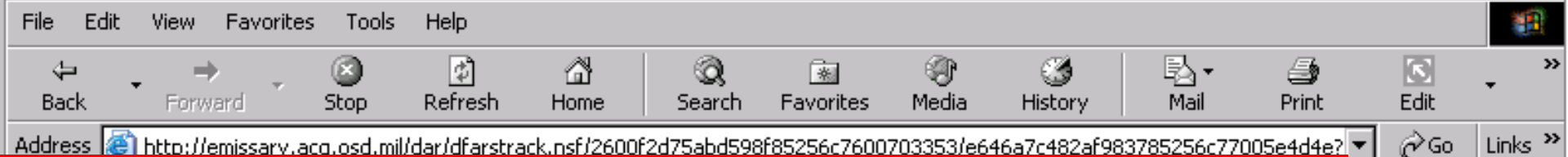
Cite No	<input type="text" value="Appendix H"/>	Team ID: <input type="text" value="D - Acq Law"/>
Cite Title	<input type="text" value="Debarment and Suspension Procedures"/>	
Category	<input type="text" value="3. Non-Statutory"/> Cat 3 - Risk Assessment <input type="text" value="2. Med"/>	
Stat Ref	<input type="text"/>	
Proposal	<input type="text" value="RETAIN AS IS"/>	
RETAIN AS IS	<input type="text" value="DoD-wide uniform procedure required"/>	
Recommend	<input type="text"/>	
Statutory Change	<input type="text"/>	
Changes To Higher Authorities	<input type="text"/>	
Prop Paper Required?	<input checked="" type="radio"/> No <input type="radio"/> Yes	
Proposal Description		
<input type="text"/>		



Retain As
Is

Add (enter 3 digit number and select Add) [Show Link Data](#) [Hide Link Data](#)

Web Proposals Considered:
None

**Rationale**

FAR 9.4029(d) requires agencies to have procedures for suspension and debarment. Chairman of DSBECC recommends retention of uniform DoD procedures in the DFARS. Having DoD-wide procedures promotes uniformity for the benefit of both contractors and DoD, and it avoids administrative burden of each suspending and debarring official having to publish and maintain separate procedures. Because S&D officials are required by FAR 9.406-3(c)(5) to provide a copy of agency procedures to entities that are suspended or are being proposed for debarment, it makes sense to place the procedures in a self-contained appendix. Accordingly, this appendix seems to be most efficient way to handle procedures. Affects public; retain as is.

DFARS Text ☐ Yes Click Yes to indicate that more than one category may apply to the DFARS text

DEBARMENT AND SUSPENSION PROCEDURES

H-100 Scope.

This appendix provides uniform debarment and suspension procedures to be followed by all debarring and suspending officials.

H-101 Notification.

Contractors will be notified of the proposed debarment or suspension in accordance with FAR 9.406-3 or 9.407-3. A copy of the record

DFARS Word Count:861 DFARS Page Count:2

Notes

Should be considered in conjunction with Part 209.

**Rationale
(Retain)**

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== DFARS Review ==

Cite No	219.502-1	Team ID: A - Acq Strategy
Cite Title	Requirements for setting aside acquisitions	
Category	1. Statutory Cat 3 - Risk Assessment N/A	
Stat Ref	10 USC 2855; 10 USC 2323 ; 15 USC 631; 10 USC 2302; 41 USC 252; Pub. L. 103-355 Sec 7102; E.O. 12138	
Proposal	CHANGE Est % Word Reduction (0-100): 0	
CHANGE	To reduce cycle time	
Recommend		
Statutory Change	Repeal	
Changes To Higher Authorities		
Prop Paper Required? Yes	Proposal Description Two Papers: 1) Increase Architect-Engineer Threshold and 2) Simply Small Business Programs - Repeal Architect-Engineer Services Threshold Limiting Set-asides, 10 U.S.C. 2855	
Web Proposals Considered: None		
Rationale		

Change

Done

Internet

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Rationale

Retain paragraph (1). This requirement prohibits certain set-asides, based on the Defense Development Sharing Agreement Between Canada and the United States of America. A change to this treaty would require action by the State Department.

Revise paragraph (2) threshold. The threshold of \$85,000 was established by 10 USC 2855 for architect-engineer (A&E) services, but permits adjustment to ensure that small businesses receive a reasonable share of such contracts. This threshold has not been adjusted since its enactment in October 1984. A&E actions below the threshold must be set-aside for small business and actions above the threshold may not be set-aside for small business. The most conservative, but defensible adjustment is a straight inflation adjustment. Industry experts identify the Engineering News Record-Construction Cost Index as the most representative index. Adjusting from establishment of the threshold in October 1984 to March 2003 results in a revised threshold of \$135,538. However, there was an unsuccessful House proposal last year (in SARA - HR 3832) to adjust the number to \$300,000. In addition, the military departments indicate that they have rationale that they could produce that would support an adjustment to \$300,000. Recommend an adjustment of the A&E threshold be pursued and that the matter be referred to the SB Committee for determination of the appropriate amount.

In addition, a legislative change is recommended to abolish the threshold limitations established by 10 USC 2855 for architect-engineer services. Such a



Rationale
(Change)

Done

Internet

[Save](#) [Save & Close](#) [Close](#)

== DFARS Review == Open

Cite No	<input type="text" value="235.7000"/>	Team ID:	<input type="text" value="A - Acq Strategy"/>
Cite Title	<input type="text" value="Scope"/>		
Category	<input type="text" value="3. Non-Statutory"/>	Cat 3 - Risk Assessment	<input type="text" value="4. Unknown"/>
Stat Ref	<input type="text"/>		
Proposal	<input type="text" value="REMOVE"/>		
REMOVE	<input type="text" value="Eliminate - Obsolete"/>		
Recommend			
Statutory Change	<input type="text"/>		
Changes To Higher Authorities	<input type="text"/>		
Prop Paper Required?	<input type="radio"/> No <input checked="" type="radio"/> Yes		
	<div>Proposal Description Elimination of R&D Streamlined Contracting Procedures</div>		
Add	<input type="text"/> (enter 5 digit number and select Add) Show Link Data Hide Link Data		

 REMOVE
(Eliminate)

Web Proposals Considered:

[175](#)

Rationale

Recommendation: Remove; Obsolete.

Mr. Padilla (ONR/DAR Council R&D Committee Chairperson) recommends this whole section on the R&D Streamlined Contracting Procedures be deleted. Very few people ever used it, and they are no longer using it. There is a working group (RDSC team) representing Wright Labs, ARO and NRL. This group used to keep this coverage current on the internet on a rotating basis. This team has recently recommended that this be deleted.

As a tool, this was always problematic in that the DFARS included all the

DFARS Text ☐ Yes Click Yes to indicate that more than one category may apply to the DFARS text

This subpart prescribes streamlined procedures for acquiring research and development, using a standard solicitation and contract format and the capabilities of the World Wide Web.

Rationale
(Eliminate)

DFARS Word Count:25 DFARS Page Count:0

Notes

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== DFARS Review == Open

Cite No	231.205-70	Team ID:	C - Acq Finance/Pricing
Cite Title	External restructuring costs		
Category	1. Statutory	Cat 3 - Risk Assessment	N/A
Stat Ref	10 U.S.C. 2325 and others		
Proposal	CHANGE Est % Word Reduction (0-100): 15		
CHANGE	To enhance clarity		
Recommend			
Statutory Change	Revise		
Changes To Higher Authorities			
Prop Paper Required?	<input type="radio"/> No <input checked="" type="radio"/> Yes		
Proposal Description	Change 231.205-70, External restructuring costs, to eliminate unnecessary and outdated language		
Add	(enter 3 digit number and select Add) Show Link Data Hide Link Data		
Web Proposals Considered:	None		

Statutory
Change

Rationale

Para. (a) Scope. The only cite necessary is 10 USC 2325, since it codified the others. Recommend putting a period after "10 USC 2325" and eliminating the rest of the paragraph.

Para. (c) Limitations on cost allowability. Remove/eliminate subparagraphs (1) (iv) (A) and (B). Coverage concerning business combinations prior to November 18, 1997 is unnecessary (obsolete) because external restructuring activities must normally be initiated within 3 years of the business combination.

Para. (d) Procedures and ACO responsibilities. Reference the procedures in the

DFARS Text ☐ Yes Click Yes to indicate that more than one category may apply to the DFARS text

231.205-70 External restructuring costs.

(a) Scope. This subsection prescribes policies and procedures for allowing contractor external restructuring costs when savings would result for DoD. This subsection also implements 10 U.S.C. 2325, Section 818 of the National Defense Authorization Act for Fiscal Year 1995 (Pub. L. 103-337) (10 U.S.C. 2324 note), Section 8115 of the National Defense Appropriations Act for Fiscal Year 1997 (Pub. L. 104-208), and Section 8092 of the National Defense Appropriations Act for Fiscal Year 1998 (Pub. L. 105-56).

Rationale
(Statutory
Change)

DFARS Word Count:1598 DFARS Page Count:0

Notes

Review paragraphs (d), (e), and (f) as procedural guidance.

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== DFARS Review == Open

Cite No	<input type="text" value="204.670-6"/>	Team ID: <input type="text" value="B - Acq Implementation"/>
Cite Title	<input type="text" value="Types of DD Form 350 reports"/>	
Category	<input type="text" value="2. Statutory - Suspect"/> <input type="text" value="Cat 3 - Risk Assessment"/> <input type="text" value="N/A"/>	
Stat Ref	<input type="text"/>	
Proposal	<input type="text" value="REMOVE"/>	
REMOVE	<input type="text" value="Relocate - DoD-wide uniform procedure required but doesn't affect the public"/>	
Recommend		
Statutory Change	<input type="text"/>	
Changes To Higher Authorities	<input type="text"/>	
Prop Paper Required?	<input type="radio"/> No <input type="radio"/> Yes	
Proposal Description	<input type="text" value="Relocate DD Form 350 reporting instructions to a mandatory 'click to' pointer outside DFARS"/>	
Add	<input type="text"/> (enter 3 digit number and select Add) Show Link Data Hide Link Data	
Web Proposals Considered:	None	

 **REMOVE**
(Relocate)

Rationale

RECOMMENDATION: Relocate this subsection to a mandatory pointer.

RATIONALE: This material contains solely procedural reporting instructions applicable to Government personnel only and has no significant impact on the public. Although this coverage is administrative and procedural in nature, standardized reporting requirements across DoD are necessary.

STAKEHOLDERS: All contracting offices subject to DD 350 reporting requirements.

COMMENT: Recommend Phase 3 scrub for any clarifications which may be

DFARS Text ☐ Yes Click Yes to indicate that more than one category may apply to the DFARS text

There are three types of reports?single, consolidated, and multiple.

(a) A single report is one DD Form 350 report per action.

(b) A consolidated report combines several actions.

(1) Prepare consolidated reports for?

(i) Military Traffic Management Command awards of indefinite-delivery contracts for ocean transportation.

DFARS Word Count:337 DFARS Page Count:0

Notes

This requirement is driven by P.L. 98-191, Section 5, which amended

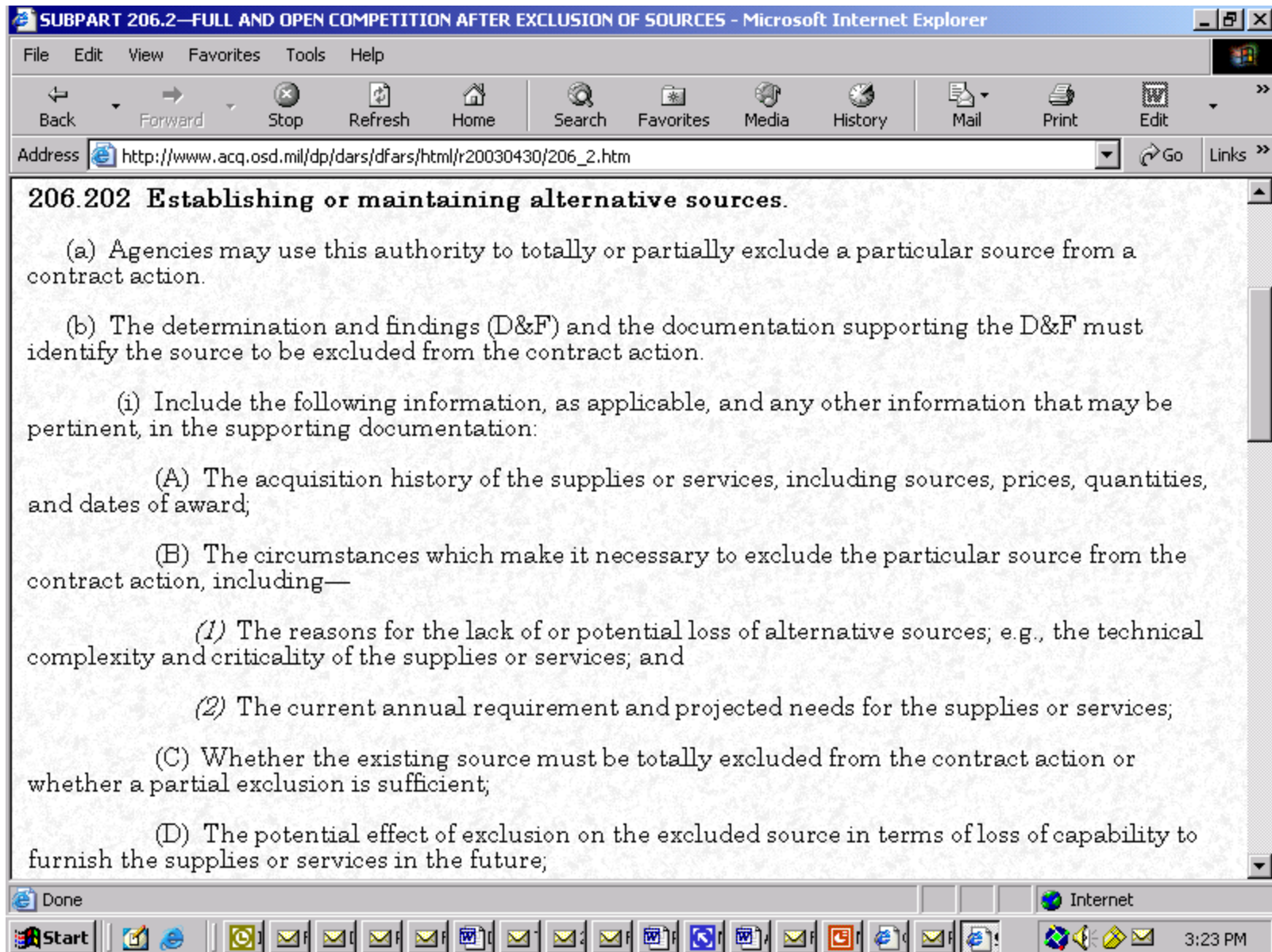
**RATIONALE
(Relocate)**

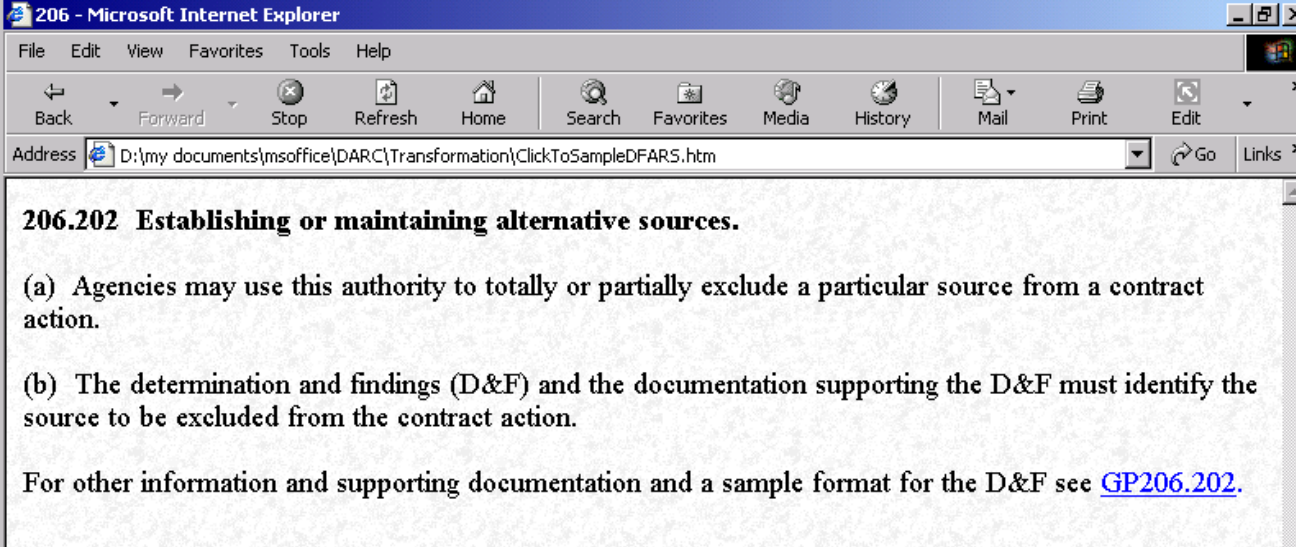


“Relocate”

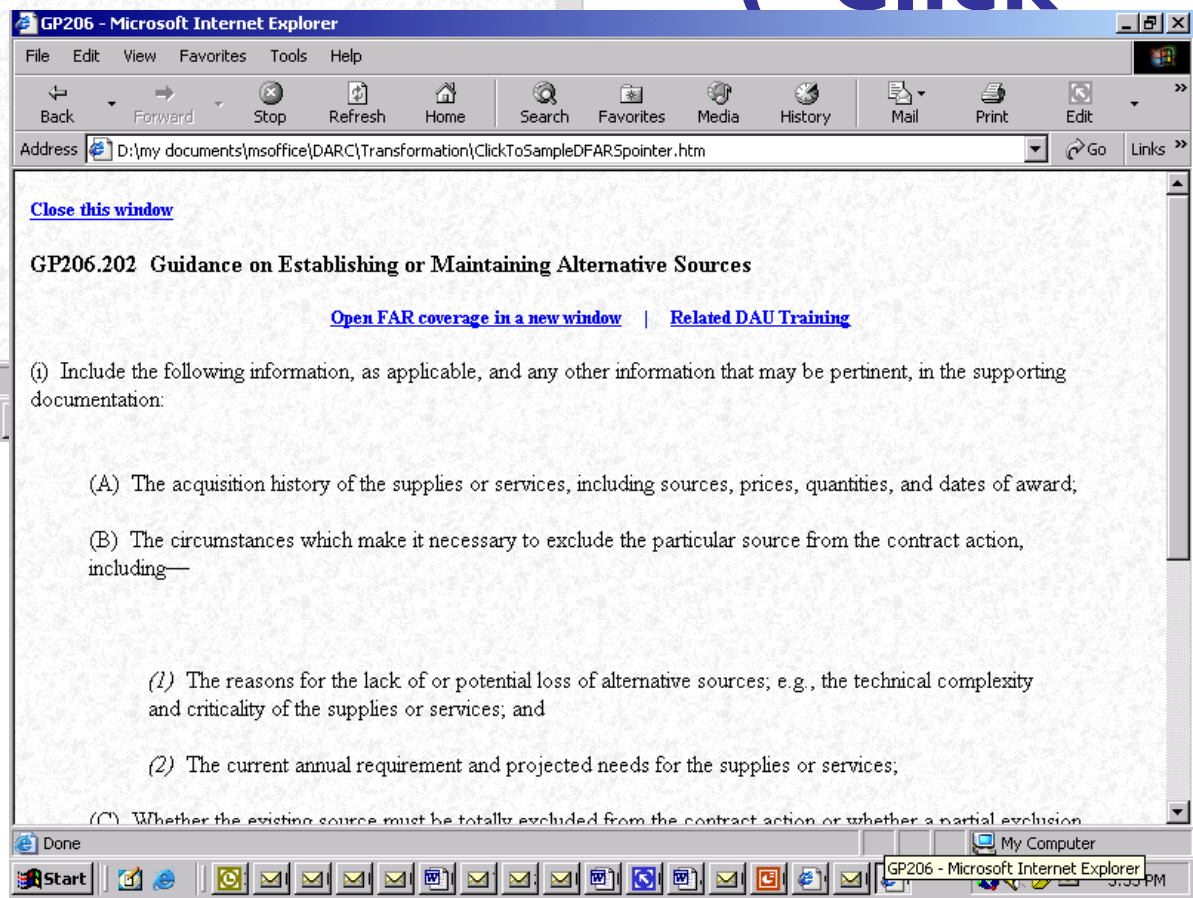
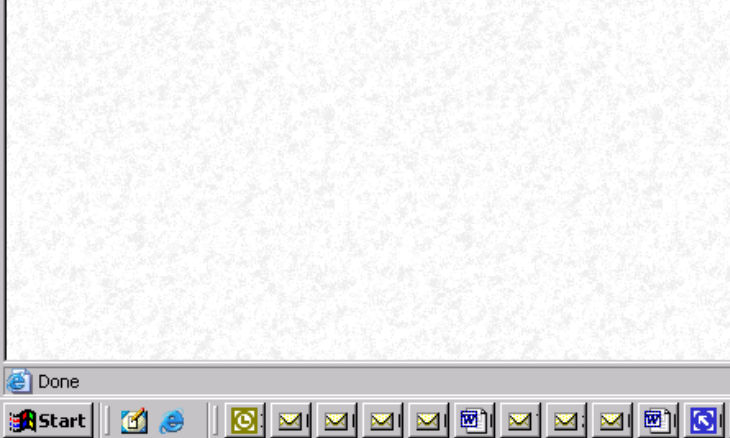
- **PROPOSAL:** Create non-regulatory “Procedures and Guidance”
 - Internal guidance, instructions and procedures (optional and mandatory)
 - No significant impact on public
 - Not a codified federal regulation
 - Fundamental approach to meet AT&L objectives
- **VALUE:**
 - Fosters an environment of flexibility and innovation
 - Shortens DAR Council processes
 - Supports rapid change process
- **APPROACH:** Develop clear objectives
 - Seamless access (Web based)
 - Managed content (DARC direction and processes)
 - Demonstrate alternative technical solutions before implementation

Current DFARS

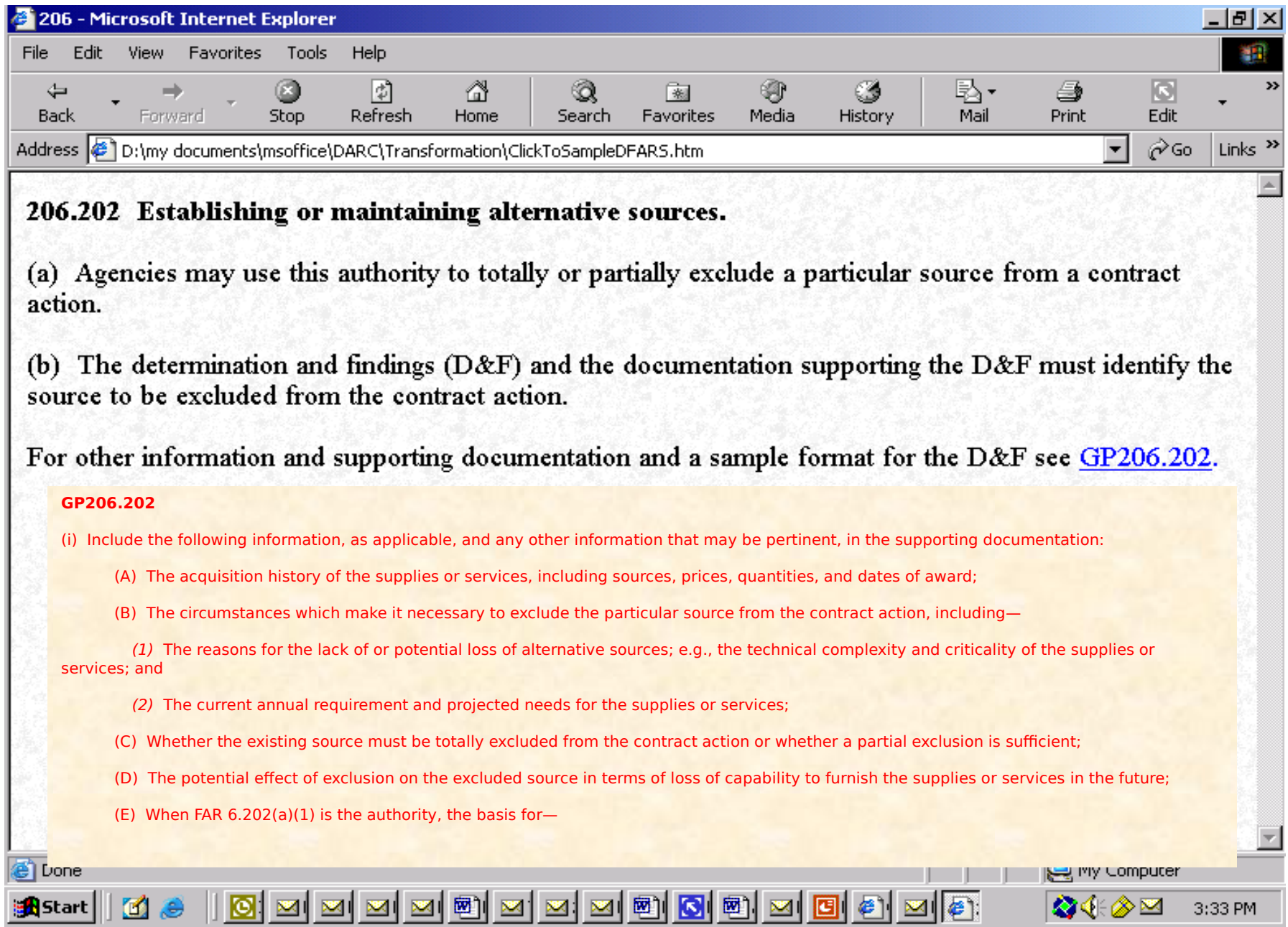




Notional Version #1 (“Click-



Notional Version #2 (Guide Book published with D





✓ **Objectives and Task**

✓ **Phase 2 Strategy**

✓ **Phase 2 Results**

✓ **Phase 3 Implementation**



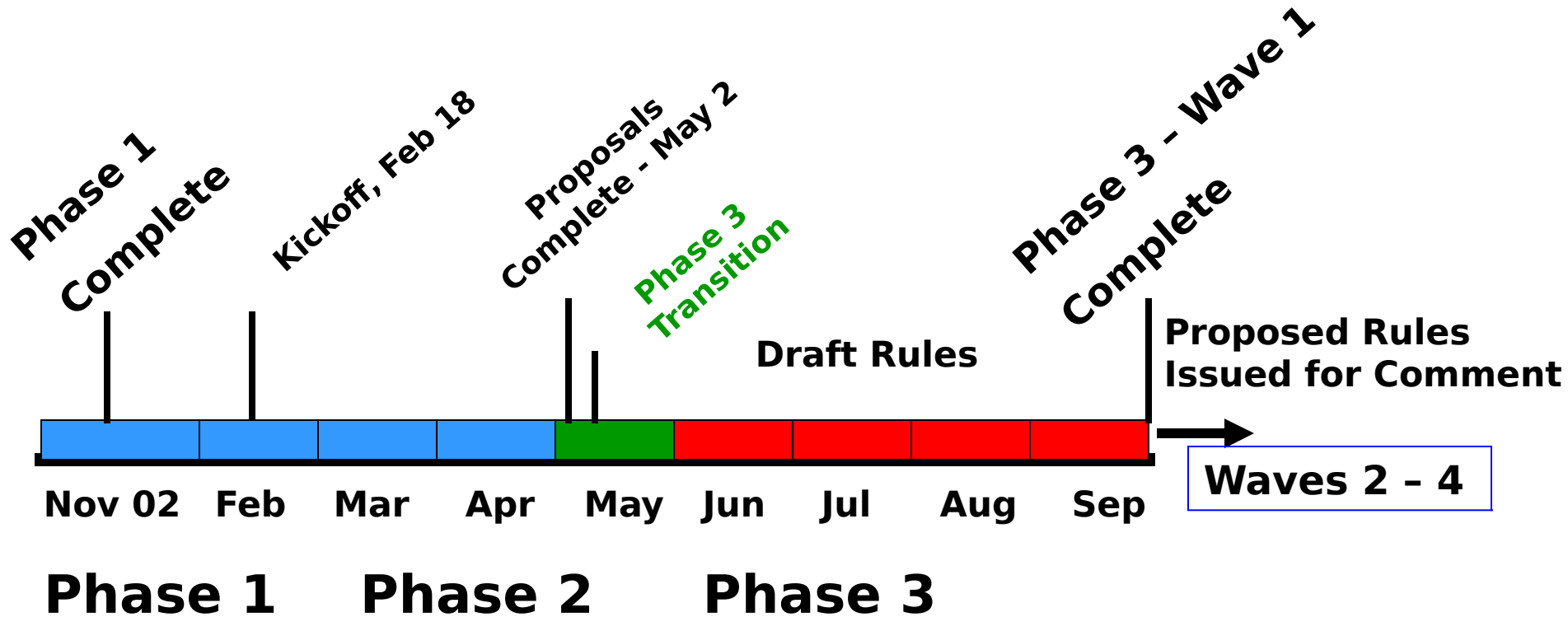
Phase 3 Objective

**Objective: Coordinate and Publish
Approved DFARS Changes**

**Prioritize proposals
Develop draft language
Establish coordinated positions
Obtain approvals
Publish proposed rules**

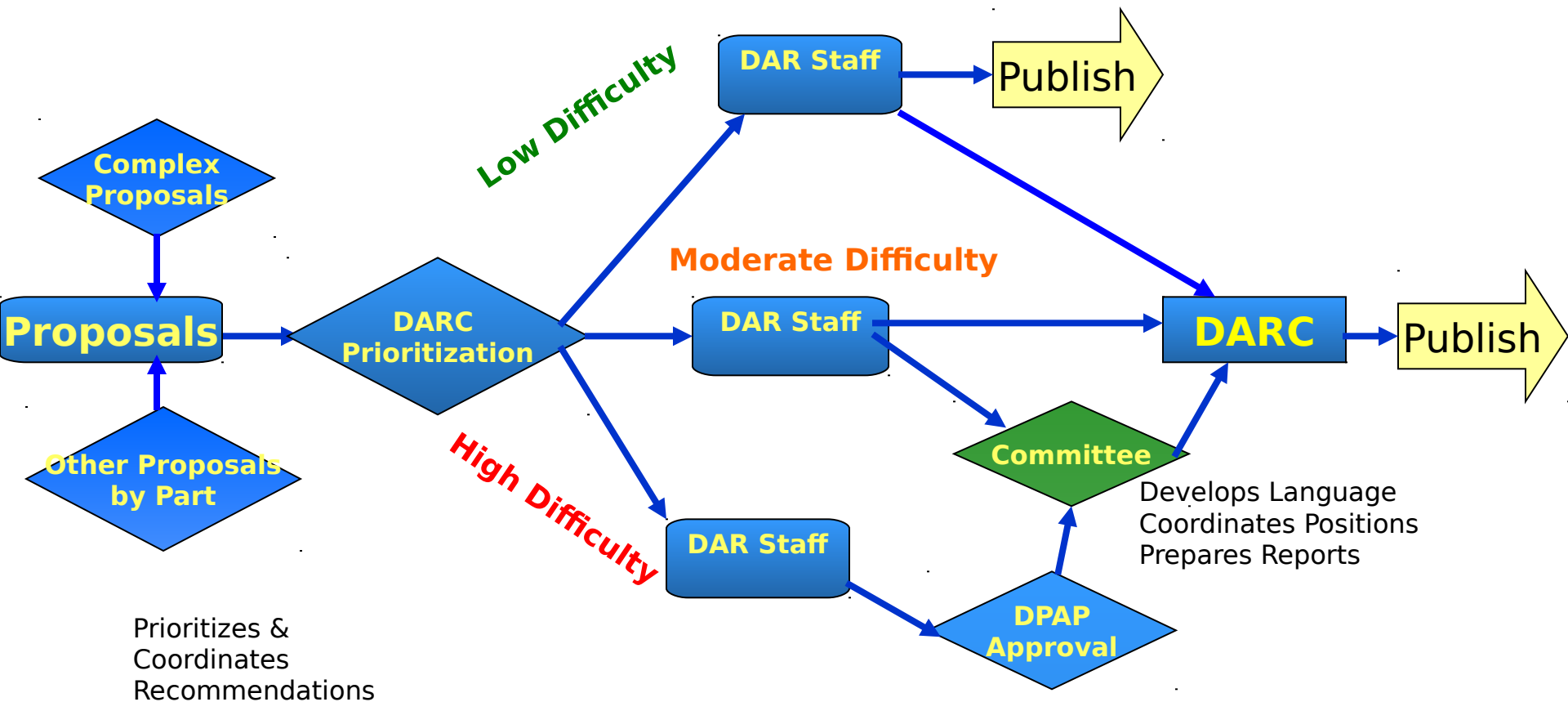


Phase 3 Schedule





Phase 3 Implementation Process



Includes 84 complex papers
and 700+ other proposals



Objectives and Task



Phase 2 Strategy



Phase 2 Results



Phase 3 Implementation